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SUBJECT: ITALY HOPES MEPP DISCUSSIONS IN ALICANTE REALISTIC

REF: ROME 2965

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Classified By: Political M/C David D. Pearce for reasons 1.4 (b) and (d)
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Summary

1. (C) Political M/C and Poloff called on Italian MFA Near East Office Director Luciano Pezzotti October 25 to discuss Italy's upcoming participation in Middle East peace process discussions hosted by the Spanish. Pezzotti said Italy hoped to play a constructive role in focusing discussions on realistic goals based on Quartet principles, starting with concrete steps on the ground. On Italian-French relations in UNIFIL he characterized cooperation on the ground as good but noted Italy had declined a French request to demarche Israel on overflights, saying it was the UN's role. However, he said Italy shares French concerns that the flights undermine UNIFIL's credibility as a neutral force and strengthen Hizballah at the expense of Siniora. Pezzotti noted the recent crisis in Lebanon had increased Iran's regional influence at the expense of Syria, and that Syria was looking to recoup its losses. He suggested engaging Syria on "our terms," to encourage them to play a constructive role in enforcing the arms embargo as a way to distance them from Iran. Although not opposed to the idea of a UN Sanctions committee to bolster UNSCR 1701, Pezzotti said the Italian priority is to support the Siniora government and worry such a committee might provoke Syria into taking action to destabilize Siniora. End Summary.

Italy Hopes to Keep Discussions in Spain Realistic

2. (C) Pezzotti said Italy agrees with the U.S. that concrete steps (such as: Israeli prisoner release by Hamas, transfer of Palestinian tax revenues by Israel, and finding the right balance between freedom of movement and security) are essential first steps on the MEPP. Italy shares the French analysis that the crisis in Lebanon has created some opportunity for movement, but Pezzotti said the window would not remain open for more than six to eight months. He said the GOI interest in encouraging renewed movement towards a solution is motivated in part by a fear of being stuck on the ground in the middle of renewed Israeli-Hizballah hostilities.

¶3. (C) Pezzotti discussed his upcoming October 26 visit to Alicante where 11 countries (Spain, Italy, Portugal, France, Greece, Malta, Morocco, Algeria, Tunisia, Egypt, Turkey) plus three observers (Cyprus, Slovenia and Libya) would meet to discuss the MEPP at the invitation of the Spanish government.

Pezzotti stressed the meeting did not constitute any new formal or informal working group. He said Italy hoped to play a constructive role by keeping the meeting focused on realistic objectives.

¶4. (C) Pezzotti noted that FM D'Alema realizes now is not yet the time to hold an international conference, and that concrete steps need to be taken before such a conference makes sense. However, he pointed out that Spanish FM Moratinos and Italian FM D'Alema have a close long-standing personal relationship and it would be difficult for D'Alema to say no to an invitation from Moratinos. (Comment. Pezzotti did not say so directly, but he gave us the distinct impression that Moratinos sometimes spun up D'Alema unhelpfully, and that Pezzotti, as a result, sometimes had to spend time and effort afterwards bringing his Minister back to ground. End Comment.) Pezzotti speculated that much of the impetus for holding an international conference was coming from Egypt and the Arab League because those governments are under particular pressure from domestic populations impatient for movement on the issue.

GOI Declines Request to Demarche Israel on Overflights

¶5. (C) Pezzotti said Italian-French relations in UNIFIL on the ground are good; there had been some chain of command issues in NY, now resolved. He noted the Italians had declined a French request to jointly demarche the Israelis concerning overflights, maintaining it was the UN's role. He

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made clear, however, that Italy shares the underlying French concern that the flights undermine UNIFIL's credibility as a neutral force and strengthen Hizballah at the expense of Siniora.

Iranian Gains, Syrian Losses in Lebanon

¶6. (C) Pezzotti observed that the recent crisis in Lebanon had increased Iran's influence in the region at the expense of Syria. With its influence reduced, Syria had lost an important card, and was now looking to regain strategic influence in Lebanon and the region. Pezzotti noted that although now is not the right time to offer Syria carrots, it might be prudent to encourage their constructive involvement in the region, and consider how to reward them accordingly, in order to discourage destructive behavior on their part.

¶7. (C) Pezzotti suggested engaging Syria on "our terms," e.g. to encourage them to play a constructive role in enforcing the arms embargo as a way to distance them from Iran. Pezzotti argued the only way to enforce the embargo would be with Syrian compliance. No amount of overflights or monitoring on the ground would be sufficient, if the Syrian government wasn't on board.

UN Sanctions Committee - Italian Desire to Support Siniora

¶8. (C) Pol M/C noted the importance of enforcing the arms embargo and said a UN Sanctions committee to support UNSCR 1701, as suggested by A/S Welch October 19 (reftel), would be a useful mechanism for encouraging compliance. Pezzotti said Italy was not against the idea of such a committee, but before supporting it they want to hear from Siniora. Pezzotti said Italy's priority is to support the Siniora government, and Italy doesn't want to do anything that might

weaken it. Pezzotti's concern with the UN Sanctions committee proposal is that it might provoke Syria into taking action to destabilize Siniora's fragile government.

Report Dismissed on Supposed Missile Sales Lebanon

¶9. (C) Pezzotti said press reports of a plan to sell sophisticated ground-to-air Aster 15 missiles to Lebanon were false. The missiles referred to were not yet even deployed by the Italian MOD, but rather still in the prototype phase. They were designed for use on a new frigate that was not yet even in service (FREMM.) He said Italy would eventually focus its initial military assistance to the Lebanese Armed Forces on training and light arms. He added that Italy had had problems in the past with arms sales to Lebanon that had ended up in the wrong hands (specifically Beretta pistols) and that Italy would refrain from sales of heavy arms until the situation had stabilized significantly. He noted the Lebanese Minister of Defense was trained as a helicopter pilot and had expressed an interest in acquiring new helicopters.

Comment

¶10. (C) Pezzotti is skeptical the discussions in Alicante will yield significant results, but he hopes Italy's participation can keep what he calls the "non-group" from getting too far off track. His repeated emphasis on the need to start with concrete practical progress based on the Quartet principles tracks with the priorities A/S Welch laid out to his Italian counterpart October 19. Pezzotti did not press the notion for an international conference, although FM D'Alema raised it in a recent letter to Secretary Rice. However, Pezzotti's analysis of the short window of opportunity for progress on the Israeli-Palestinian issue underlines not only Italy's wish to see concrete movement toward a renewed peace process but also its acute awareness that its troops could be caught in the middle if there is renewed violence in Lebanon. End Comment.
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